

MT LEGISLATIVE HISTORY

Chapter 325 1983

Bill H (S) 221

Original bill & hist. ✓C

H. Committee on Bus. & Industry

S. Committee on Bus. & Industry

Hearing Date(s) MAR 16 ✓C

Hearing Date(s) FEB 7 ✓C

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FEB 9 ✓C

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Date Out MAR 16 ✓C

FEB 9 ✓C

Did this bill originate in an interim committee? Yes No

Committee

Report

SENATE BILL NO. 221

INTRODUCED BY NORMAN, HAWD

IN THE SENATE

January 19, 1983	Introduced and referred to Committee on Business and Industry.
February 9, 1983	Committee recommend bill do pass as amended. Report adopted.
February 10, 1983	Bill printed and placed on members' desks.
February 11, 1983	Second reading, do pass.
February 12, 1983	Correctly engrossed.
February 14, 1983	Third reading, passed. Ayes, 49; Nays, 0. Transmitted to House.

IN THE HOUSE

March 1, 1983	Introduced and referred to Committee on Business and Industry.
March 17, 1983	Committee recommend bill be concurred in. Report adopted.
March 21, 1983	Second reading, concurred in.
March 22, 1983	Third reading, concurred in.

IN THE SENATE

March 23, 1983	Returned to Senate. Sent to enrolling. Reported correctly enrolled.
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1 Senate BILL NO. 221
2 INTRODUCED BY Norman Hans
3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR THE
5 TRANSFER OF OWNERSHIP, OPERATION, AND CONTROL OF IMPROVEMENT
6 DISTRICT UTILITY SERVICE FACILITIES TO A REGULATED UTILITY."
7

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 Section 1. Transfer of operation, control, and
10 ownership of improvement district facilities to a utility.
11 Whenever a special improvement district has been created in
12 accordance with the provisions of this part for the purpose
13 of providing the facilities through which a regulated
14 utility is to provide utility services to the district, the
15 commissioners may, upon such terms and conditions as may be
16 agreed to, transfer the operation, control, and ownership of
17 the facilities to the regulated utility for use by the
18 utility to provide utility services.

19 Section 2. Codification instruction. Section 1 is
20 intended to be codified as an integral part of Title 7,
21 chapter 12, part 21, and the provisions of Title 7, chapter
22 12, part 21, apply to section 1.

-End-

INTRODUCED BILL

DB 101

Approved by Committee
on Business and Industry

SENATE BILL NO. 221

INTRODUCED BY NORMAN, HAND

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TRANSFER OF OWNERSHIP, OPERATION, AND CONTROL OF IMPROVEMENT
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the facilities to the regulated utility for use by the
utility to provide utility services.

Section 2. Codification instruction. Section 1 is
intended to be codified as an integral part of Title 7,
chapter 12, part 21, ~~AND TITLE 7, CHAPTER 12, PART 41,~~ and
the provisions of Title 7, chapter 12, part 21, ~~AND TITLE 7,~~
~~CHAPTER 12, PART 41,~~ apply to section 1.

-End-

SECOND READING

55221

1 SENATE BILL NO. 221

2 INTRODUCED BY NORMAN, HAND

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR THE
5 TRANSFER OF OWNERSHIP, OPERATION, AND CONTROL OF IMPROVEMENT
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17 the facilities to the regulated utility for use by the
18 utility to provide utility services.

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20 intended to be codified as an integral part of Title 7,
21 chapter 12, part 21, AND TITLE 7, CHAPTER 12, PART 41, and
22 the provisions of Title 7, chapter 12, part 21, AND TITLE 7,
23 CHAPTER 12, PART 41, apply to section 1.

-End-

THIRD READING
SB 221

SENATE BILL NO. 221

INTRODUCED BY NORMAN, HAND

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR THE TRANSFER OF OWNERSHIP, OPERATION, AND CONTROL OF IMPROVEMENT DISTRICT UTILITY SERVICE FACILITIES TO A REGULATED UTILITY."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Transfer of operation, control, and ownership of improvement district facilities to a utility. Whenever a special improvement district has been created in accordance with the provisions of this part for the purpose of providing the facilities through which a regulated utility is to provide utility services to the district, the commissioners may, upon such terms and conditions as may be agreed to, transfer the operation, control, and ownership of the facilities to the regulated utility for use by the utility to provide utility services.

Section 2. Codification instruction. Section 1 is intended to be codified as an integral part of Title 7, chapter 12, part 21, ~~AND TITLE 7, CHAPTER 12, PART 41,~~ and the provisions of Title 7, chapter 12, part 21, ~~AND TITLE 7, CHAPTER 12, PART 41,~~ apply to section 1.

-End-

[illegible]

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2 INTRODUCED BY NORMAN, HAND

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21 chapter 12, part 21, ~~AND TITLE 7, CHAPTER 12, PART 41,~~ and
22 the provisions of Title 7, chapter 12, part 21, ~~AND TITLE 7,~~
23 ~~CHAPTER 12, PART 41,~~ apply to section 1.

-End-

REFERENCE BILL

SB 221

48th

LEGISLATIVE SESSION

COMMITTEE ON BUSINESS AND INDUSTRY

SENATE BILL NO.	ENTERED COMM.	DATE CONSIDERED	OUT OF COMM.	DO PASS DATE	DO NOT PASS DATE	DO PASS AS AMEND. DATE	BE CON- CURRED IN DATE	BE CONC. IN AS AMENDED DATE	BE NOT CON- CURRED IN DATE
SB 151	1-14-83	1-21-83	1-21-83	1-21-83					
SB 156	1-14-83	1-24-83	1-24-83	1-24-83					
SB 174	1-17-83	1-28-83	1-28-83			1-28-83			
SB 184	1-18-83	2-2-83	2-2-83			2-2-83			
SB 206	1-19-83	2-9-83	2-9-83			2-9-83			
SB 207	1-19-83	2-9-83	2-9-83			2-9-83			
SB 221	1-19-83	2-7-83 2-9-83	2-9-83			2-9-83			
SB 223	1-19-83	2-16-83 2-18-83	2-18-83			2-18-83			
SB 228	1-19-83			T A B L E D					
SB 229	1-20-83	2-2-83 2-9-83	2-9-83		2-9-83				
SB 249	1-21-83	1-28-83 1-31-83	1-31-83		1-31-83				
SB 250	1-21-83	2-11-83	2-11-83	2-11-83					
SB 251	1-21-83	2-11-83 2-15-83	2-15-83	2-15-83					
SB 261	1-22-83	2-4-83 2-10-83	2-10-83	S E N T T O		J U D I C I A R Y			
SB 285	1-25-83	2-2-83	2-2-83			2-2-83			
SB 292	1-26-83	2-4-83	2-4-83	2-4-83					

Use a separate sheet for Senate, House Bills, and Resolutions.

Senator Gage asked do you have any idea how many corporations are dropping out per month? Ms. Armagast stated withdrawals are approximately 15-20 per month.

Senator Goodover asked does this have any application to the big semi-trucks that pull into Helena loaded with tools? Obviously, it is a corporation. Ms. Armagast stated yes and no. Basically it would need a city license before they could sell. It depends on who actually owns the merchandise. If there is an individual no they could not do anything about it. It would need to be a corporation.

Senator Gage asked does this apply to a big corporation as well as a tiny corporation? Ms. Armagast stated yes.

Senator Lee asked is this \$5.00 fee similar to other states? Ms. Armagast stated yes. California has a \$20.00 penalty.

Senator Kolstad asked would you rather have a larger penalty than \$5.00? Ms. Armagast stated yes but she thinks the \$5.00 will suffice.

In closing, Representative Winslow, stated they thought the \$5.00 per day figure would be adequate. It is not to discourage them from coming into the State.

Senator Goodover stated there are statutes in the codes that cover the person who comes into the state. The intention of the bill is to make a penalty that makes it at least worthwhile to have this law on the books but not to be restrictive to those practicing in the state.

The hearing was closed on House Bill 106.

CONSIDERATION OF SENATE BILL 221: This bill is an act to provide for the transfer of ownership, operation and control of improvement district utility service facilities to a regulated utility. Senator Bill Norman stated he was the sponsor of this bill. There are SID's which are now becoming mature. 20 years has passed and the problem arises. Take an example of a waterline. The RSID district is created and the water main is part of the RID and eventually the bonds are paid off and the matter is settled financially but not legally. The county ends up with the water line. Suppose the water company even uses that RID line and it goes on to serve other areas. The county it is contended is stuck with that water line. They have to maintain it and provide service. There is no way they can transfer that title ownership to a water company who wants to buy it. They can lease it or put it up for bids but none of this is satisfactory. The bill would make it possible for the county to dispose of that property. The need is there and he thinks this bill would answer the need. He has said RSID's so he is talking only about county. The city has heard of the bill and wants to include SID's or cities in this bill. He proposed some amendments.

PROPOSERS TO SENATE BILL 221: Michael Schstead, Missoula County Deputy Attorney, stated he supports this bill. His testimony is

attached to the minutes. (Exhibit No. 1)

There were no further proponents and no opponents.

QUESTIONS FROM THE COMMITTEE:

Senator Gage asked apparently there would be nothing that the utility could do to keep the district from giving that line to them? Mr. Sehstead stated I think the bill as written requires that terms and conditions would have to be agreed upon. He doesn't think the county could drop anything on them. It would be a meeting of the minds.

Senator Fuller asked if you were to make a deal with the utilities does this equipment become taxable? Mr. Quinn stated he believes it would. It would become part of the rate base. As far as taking the ownership of property like that we have done that in the past when they have advertised for bids on the property and taken over liabilities.

Senator Goodover asked are these isolated incidences? Mr. Sehstead stated yes they have only had isolated incidences in their county. Mr. Quinn agreed that this is not a widespread thing.

In closing Senator Norman stated he was merely submitting the amendments for the cities consideration and it would include the cities in the bill as well. He thinks the title is vague enough to include everything.

ACTION ON HOUSE BILL 106: Senator Lee made the motion that House Bill 106 Be Concurred In. Senator Boylan seconded the motion.

The Committee voted unanimously, by voice vote, that HOUSE BILL 106 BE CONCURRED IN. Senator Lee will carry this bill on the floor.

ACTION ON HOUSE BILL 347: Senator Goodover stated he would carry this bill on the floor.

ACTION ON HOUSE BILL 190: The Committee decided to hold this bill for amendments until Friday.

ACTION ON SENATE BILL 229 and 221: The Committee decided to hold these bills for amendments until Wednesday.

CONSIDERATION OF SENATE BILL 144: This bill is an act to remove the restriction allowing only natural persons to hold a liquor license transferred between quota areas. Senator Turnage stated he was the sponsor of this bill which is a request from the Department of Revenue. It deals with removing a restriction on a corporation owning a transferred license. The problem is on page 4, lines 24-25 the part that is stricken. These restrictions were put in when they had the floater licenses. He thinks it is an unrealistic limit. If a corporation acquired a floater license this restriction would follow. The department brought this before the Revenue Oversight Committee and that is the argument.

February 7, 1983
EXHIBIT NO. 1

SENATE BILL 221

Missoula County supports this bill for the following reasons:

BACKGROUND: The County is authorized, upon the receipt of a proper petition and after notice and hearing to finance the construction of water lines, gas lines, and power lines through the RSID process.

When completed these utility lines are used by regulated utilities to provide water, gas or power to residents of the RSID.

The costs of installing these systems is born by the district residents initially and is in part reimbursed by the utility which makes payments to the county when customers hook-up to the system. These payments are used to make early payment on the districts bonds.

PROBLEM: Title to these improvements remains in county raising the possibility of:

1) potential county liability for problems arising from the improvements.

2) potential assessment of repair costs against the district.

Since county holds essentially for the benefit of the district general provisions regarding the sale of county property may not be applicable. Certainly no express authority to dispose of RSID financed improvement.

Even if general provisions regarding sale of county property are available, they do not specifically authorize the kinds of conditions on the sale that may be desirable.

BENEFITS:

The bill provides a clear method of dealing with the improvements.

It will enable the county to shift liability for the condition and maintenance of the improvement to the utility that is using them.

It will permit the county to impose conditions to protect the district residents.

It will protect the residents by placing them in the same position as other utility customers by eliminating the possibility of direct assessment for the cost of repairs to the supply system.

27-85

VISITORS' REGISTER

[illegible]

NAME: Michael W Soherstedt DATE: 2/7/18

ADDRESS: Missoula County Courthouse Missoula

PHONE: 721-5700

REPRESENTING WHOM? Missoula County

APPEARING ON WHICH PROPOSAL: SB221

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS: See Attached

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

Senator Lee seconded the motion.

The Committee voted by Roll Call Vote 6-3 that SENATE BILL 229 DO NOT PASS.

ACTION ON SENATE BILL 261: Staff Attorney Petesch stated we have struck the entire bill and have prepared the grey bill. (Exhibit No. 19) This would apply to contracts entered into after July 1985. They have tests on pages 2-7 in order to determine plain language. The limitation on page 7 does not apply to an amount over \$50,000. It does not apply to insurance contracts and would retain the same good faith exception for a firm using a contract.

Senator Regan made the motion that we accept the proposed amendments. Senator Fuller seconded the motion.

Senator Goodover asked is this a new bill? Senator Severson stated same title new bill.

Senator Lee made the substitute motion that Senate Bill 261 Be Tabled. Senator Goodover seconded the motion.

Senator Regan stated we should not play games and lay it on the table. Senator Lee stated he does not think it is worth the time to stand on the floor and discuss it and try to convince 50 senators to vote against it.

Senator Regan stated that is the point. Those 50 senators have the right to hear this bill that was introduced and have the right to the committee action.

Senator Kolstad stated they could bring the bill back into committee.

Senator Regan stated she recognizes it is a legitimate motion. She is saying in fairness to the sponsor of the bill and the Senate we should address the bill. We heard the bill now lets deal with it and give the senators the opportunity to vote.

The Committee voted by Roll Call Vote 6-3 that SENATE BILL 261 BE TABLED.

ACTION ON SENATE BILL 221: Staff Attorney Petesch gave proposed amendments to the committee on this bill. (Exhibit No. 20) It amends the codification instruction to make it apply to SID's as well as RSID's.

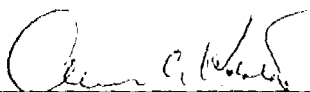
Senator Boylan made the motion that we accept the proposed amendment to Senate Bill 221. Senator Christiaens seconded the motion.

The Committee voted unanimously, by voice vote, that the proposed amendments to SENATE BILL 221 BE ADOPTED.

Senator Boylan made the motion that Senate Bill 221 As Amended Do P. Senator Christiaens seconded the motion.

The Committee voted unanimously, by voice vote, that SENATE BILL 221 AS AMENDED DO PASS.

ADJOURN: There being no further business, the meeting adjourned at 11:38 a.m.


ALLEN C. KOLSTAD, CHAIRMAN

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ROLL CALL

BUSINESS AND INDUSTRY COMMITTEE

48th LEGISLATIVE SESSION -- 1983

DATE 2-9-83

[illegible]

February 9

1951

MR. President

BUSINESS AND INDUSTRY

We, your committee on

having had under consideration

SENATE

221

Bill No.

Respectfully report as follows: That.....
be amended as follows:

SENATE

221

Bill No.

1. Page 1, line 21.
Following: "part 21,"
Insert: "and Title 7, chapter 12, part 41,"
2. Page 1, line 22.
Following: "part 21,"
Insert: "and Title 7, chapter 12, part 41,"

AND AS AMENDEDDO PASS

AMENDMENT TO SB 221

1. Page 1, line 21.
Following: "part 21,"
Insert: "and Title 7, chapter 12, part 41,"
2. Page 1, line 22.
Following: "part 21,"
Insert: "and Title 7, chapter 12, part 41,"

STATUS SHEET

BUSINESS & INDUSTRY COMMITTEE

48 Legislature

Bill No.	Subject matter	Date In	Sponsor	Hearing Date	Committee Action	Date Out
SB 221	TO PROVIDE FOR TRANSFER OF OWNERSHIP OF IMPROVEMENT DISTRICT UTILITY SERVICE TO REG. UTILITY	3-2	NORMAN	3-16	Be Concurred	3-16
SB 269	AUTHORIZING THE PSC TO ORDER REFUNDS AND CREDITS OF PUBLIC UTILITY CHARGES UNLAWFULLY COLLECTED	3-2	HALLIGAN	3-16	Be Concurred	3-16
SB 292	REVISING THE LAW PROVIDING FOR PROTEST OF THE ISSUANCE OF A LIQUOR LICENSE	3-2	GOODOVER	3-15	Be Concurred Amended	3-15
SB 298	REVISING THE DETERMINATION OF DISTANCE LIMITATIONS FOR THE ISSUANCE OF LIQUOR LICENSE	3-2	TOWE	3-15	Be Concurred	3-15
SB 300	TO ELIMINATE THE REQUIREMENT THAT 1 VICE PRESIDENT BE CHOSEN FROM THE BOARD OF DIRECTORS	3-2	TURNAGE	3-14	Be Concurred	3-14
SB 305	REVISING THE LAW RELATING TO UTILITY RATE SCHEDULE CHANGES	3-2	R. MANNING	3-17	Be Concurred	3-17

REP. ELLISON: Mr. Browning, you speak about not wanting the PSC involved. Generally, the utilities think they are on your side. Mr. Browning: The house movers are not in agreement on this point. Some are adamantly opposed to PSC under any circumstances and the ones concerned with implementing the 26' proposal do not want to be at the mercy of utilities on charges and they want to have input on the language in the bill that says reasonable and necessary to make sure they are reasonable and necessary.

REP. ELLISON: Whose idea was it to let the PSC referee? Sen. Regan: My idea. This is not a happy compromise. The house movers want 26' and that's it. The utilities on the other hand don't want to pay these costs. This compromise says go fight the particulars under the PSC because you are both regulated by them.

REP. SCHULTZ: I want to know how you are going to determine these costs? Is a farmer who wants to move a telephone line going to have to pay \$1800? How are you going to keep a lid on these things? Mr. Opitz, PSC: A full hearing would be held every two years. The proposals would come from the utilities on the costs involved on particular structures and we would publish a schedule and then the costs would be split between the two.

REP. SCHULTZ: There is going to be no profit factor involved in moving these lines? Mr. Opitz: The utilities would determine what the costs are and the house movers could combat that. We would give everybody an opportunity to review the matter before they come to the hearing. All of the commission's decisions are appealable to the district court. They would have recourse.

SENATE BILL 221

SEN. NORMAN, District 47, sponsor, opened by saying this bill authorizes any special improvement district created to provide facilities to furnish utility service to the district to transfer the facilities to a regulated utility for use in providing services. Rural Special Improvement Districts (RSID's) are involved and the cities have also been amended into the bill. A RSID is paid off in 20 years. The county and to some extent the city is left with a problem. Perhaps there is a county supplying water to a RSID and perhaps beyond that through the RSID. The county owns the property by law and will have to continue to maintain it which involves money, or they can sell it to the water company if they want to buy it. But on legal opinion, they cannot sell it because it is county property. This bill provides a means whereby the county and city and the water company could work out some arrangement for purchase.

PROPOSERS:

HOWARD SCHWARTZ, Missoula County Commission: We support this bill. It provides a clear method of dealing with the improvements. It will enable the county to shift liability for the condition and maintenance of the improvement to the utility that is using them. (Exhibit #6)

DENNIS LOPATCH, Mountain Water Company: We supply water in Missoula and Superior. We are the company involved in this problem. Basically, the problem is that we are providing service for things that we do not hold title to. Liability is a question here - who's responsible? This provision would not be mandatory, it is permissive legislation.

OPPOSERS: none

QUESTIONS:

REP. KITSELMAN: Mr. Schwartz, we have a situation in the Billings Heights area where water is being provided by the Heights water district. The people are actually city residents, so the water is bought from the municipality, filtered through the Heights water district and the city resident in the Heights is paying more than the resident down the hill. Would this provide the vehicle by which the city could approach the Heights water district and buy those pipes and serve those people on an equal basis? Mr. Schwartz: I would think this would probably do that because the city is a public regulated utility.

SENATE BILL 269

SEN. HALLIGAN, District 48, sponsor, opened by saying this bill would authorize the PSC the discretion to order refunds or credits by any public utility for charges in excess of those lawfully established and to order other changes necessary to eliminate unjust, unreasonable, insufficient, preferential or discriminatory practices. We are not talking about \$17 charges being refunded - this could be perhaps hundreds of thousands of dollars that have been collected by mistake or consciously by the utility.

PROPOSERS:

JOHN ALKE, Montana Dakota Utilities: We were responsible for the court case that established that the PSC does not have refund powers. We appear in support of this bill with the amendments.

BOB QUINN, Montana Power and Pacific Power & Light: We wish to go on record as supporting this legislation.

LARRY HUSS, Mountain Bell: We support this bill as amended.

says the legislature feels the people in that area are willing to pay higher rates so they can keep the industry in business. Is this the critical factor that will keep them in business? I don't want to make this decision to the detriment of rate payers. Sen. Elliott: If it doesn't keep them in business, we haven't lost anything. If they go out, the rates will go up anyway.

REP. KADAS: The reason they pay more than utilities is because they made a 20 year contract. Rep. Jensen: That was the past, we have to look to the future. Rep. Kadas: Two years ago?

REP. HARPER: How many DSI's are there? Sen. Elliott: Eight in the whole region. Most are in Washington. Two are in Montana. Rep. Harper: Are all of these going down? Sen. Elliott: Kaiser is closed in Spokane. Rep. Harper: We are trying to save Columbia Falls. If one closed down, then there would be more surplus power and the rates should go down. Don't give these people at BPA an excuse to raise rates. There is a surplus.

REP. KITSELMAN: I move to strike the amendment.

QUESTION: The motion failed by a tie vote. (Roll Call Vote Attached)

REP. KADAS: I move SENATE JOINT RESOLUTION 17 BE CONCURRED IN AS AMENDED.

QUESTION: The motion carried 10-6. (Roll Call Attached.)

SENATE BILL 249

REP. FABREGA: I move to amend the amendment. We need to say the parties will agree in writing that 6 percentage points per annum will be the rate.

QUESTION: The motion carried unanimously.

REP. FABREGA: I move the amendment.

QUESTION: The motion carried unanimously.

REP. FABREGA: I move SENATE BILL 249 BE CONCURRED IN AS AMENDED.

QUESTION: The motion carried unanimously.

Rep. Fabrega will carry the bill to the House floor.

SENATE BILL 221

REP. KADAS: I move SENATE BILL 221 BE CONCURRED IN.

QUESTION: The motion carried unanimously.

Rep. Kadas will carry the bill to the House floor.

SENATE BILL 269

REP. KADAS: I move SENATE BILL 269 BE CONCURRED IN.

QUESTION: The motion carried unanimously.

Rep. Kadas will carry the bill to the House floor.

STANDING COMMITTEE REPORT

MARCH 16

19 83

MR. SPEAKER:

We, your committee on BUSINESS & INDUSTRY

having had under consideration SENATE Bill No. 221

third reading copy (blue)
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A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR THE
TRANSFER OF OWNERSHIP, OPERATION, AND CONTROL OF IMPROVEMENT
DISTRICT UTILITY SERVICE FACILITIES TO A REGULATED UTILITY."

Respectfully report as follows: That SENATE Bill No. 221

XXXXXX BE CONCURRED IN
DO PASS

SENATE BILL 221

Missoula County supports this bill for the following reasons:

BACKGROUND: The County is authorized, upon the receipt of a proper petition and after notice and hearing to finance the construction of water lines, gas lines, and power lines through the RSID process.

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Even if general provisions regarding sale of county property are available, they do not specifically authorize the kinds of conditions on the sale that may be desirable.

BENEFITS:

The bill provides a clear method of dealing with the improvements.

It will enable the county to shift liability for the condition and maintenance of the improvement to the utility that is using them.

It will permit the county to impose conditions to protect the district residents.

It will protect the residents by placing them in the same position as other utility customers by eliminating the possibility of direct assessment for the cost of repairs to the supply system.

VISITORS' REGISTER

HOUSE

Dec. 4 1944

COMMITTEE

AT L.L.

5B 221

Date _____

3-16

SPONSOR

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.